

## American Library Association Summary of Publishing Department Report to BARC

### Significant Events in Q1 FY 2016

- Overall total revenue budget shortfall for Publishing Department - \$131k
- Overall net revenue budget shortfall for Publishing Department - \$336k
- Overhead contribution to the General Fund - \$707k
- Areas / lines of business outperforming budget
  - Advertising revenue by \$43k
  - Subscription Equivalent better than budget by \$55k, reducing impact on the General Fund
- Areas / lines of business falling short of net revenue budget
  - ALA Editions by \$191k
  - Neal Schuman by \$31k
  - Graphics by \$55k
  - Booklist by \$64k
- Q1 expenses overstated or incomplete (e.g., \$64k in AASL development expense not yet offset; royalty expense overstated by \$136k – i.e., net revenue variance improves by \$200k)
- Delay in filling Publisher position for ALA Editions/Neal Schuman
- Resignation of department Business/Operations Manager
- Delays in synchronizing new fulfillment center – affects consistency in recording revenues and expenses

### Looking Forward

- Neal Schuman publication plans
  - FY 2016 – December release of best-selling textbook – Rubin: Foundations
  - FY 2017 – 2<sup>nd</sup> best-selling textbook planned for release – Cassell and Hiremath
  - FY 2018 – 3<sup>rd</sup> best-selling textbook planned for release – Evans and Alire
- Partnering with AASL in FY 2017 on the publication of AASL Standards
  - Collaboration positively impacts AASL and the General Fund
- RDA price increase
- Continuing integration of Neal Schuman business plan
  - ALA Editions – professional development titles
  - Neal Schuman – textbooks
  - Digital access to content
- Challenges / areas of focus
  - Building frontlists
  - 2 year publishing timeline
  - Stabilizing financial recording process
  - Activating sales reports from the new Order Processing/Fulfillment vendor
- Price adjustments to improve cost of sales ratios

### Improvements on Key Metrics

- Order Processing/Fulfillment expense to sales ratio better than budget – major expense
- Production schedule (time to market) reduced from 12 months to 5 months
- Clearer royalty reports for authors